these four years, Government ought to have at least constructed houses for their own employees. This they have not done. In the same way, Sir, Government are under the impression that every measure of control should continue for ever, for ages and for all times. There are no principles underlying these measures. I, therefore, ask the Hon. Minister at least to explain now at the third reading stage whether the Government have any idea in their mind of introducing decontrol, to scrap this control measure in a short period of time. I expect the Hon. Minister will give some idea and mention it to the House, or it may be he has no ideas and he will not mention anything."

THE HON. SRI C. PERUMALSAMI REDDI :—" The control is introduced because of difficulty in getting jute. As soon as the position eases, we will decontrol it. As for production of jute in this country, Mr. John raised the same point as he did now on 26th November 1949 when the Jute Goods Control Act was under discussion. (Interruption.) The Hon. Mr. Madhava Menon replied that we are taking up lands for jute cultivation and we were going to have more jute in course of time."

DR. V. K. JOHN :—" The Hon. Minister is reading . . ."

THE HON. SRI C. PERUMALSAMI REDDI :—" I am quoting from his speech. As soon as the position eases, jute will be decontrolled again."

THE DEPUTY CHAIRMAN :—" The question is—

'That the Madras Jute (Control of Prices and Sales) Bill, 1950, be passed into law.' "

The motion was carried and the Bill was passed into law.

(3) THE MADRAS CO-OPERATIVE LAND MORTGAGE BANKS (AMENDMENT) BILL, 1950 (L.A. BILL NO. 6 OF 1950).

* THE HON. SRI K. CHANDRAMOULI :—" Sir, I move—

'That the Madras Co-operative Land Mortgage Banks (Amendment) Bill, 1950 (L.A. Bill No. 6 of 1950) [a] *as passed by the Legislative Assembly, be taken into consideration.'*

" The main object of the Bill is to give effect to the recommendations of the Malabar and the South Kanara Land Mortgage Banks Committees, 1937, and the Madras Committee on Co-operation, 1939–40, with a view to facilitating the working of land mortgage banks in the Malabar and in the South Kanara districts.

" The Central Land Mortgage Bank issues debentures on the security of the mortgages and other assets transferred to it by the primary land mortgage banks. Such mortgages and assets are now transferred to the Central Land Mortgage Bank by means of registered documents. This not only involves some expenditure

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[a] Printed as Appendix II on pages 701–704 infra.

4th April 1950] [Sri K. Chandramouli]

and trouble to the primary land mortgage banks but also adds to the delay in the disbursement of loans to the individual borrowers. To obviate all this, a new section (23-A) is proposed to be added by clause 4 of the Bill, so as to provide that these mortgages and assets shall be deemed automatically to have been transferred to the Central Land Mortgage Bank. The probable loss of revenue to the Government in the shape of registration fees is estimated at Rs. 19,000 per annum.

"Clause 6 of the Bill gives effect to the recommendation of the Malabar Land Mortgage Banks Committee that the special provision contained in existing section 32 be extended to families governed by the Marumakkattayam, Nambudri and Aliyasantana laws. Section 32 as proposed to be amended also makes it quite clear that, if a loan is granted by a mortgage bank for improvement of agricultural land or of methods of cultivation and the purchase of land, the mortgage executed by the borrower shall be deemed to have been executed by him for a purpose binding on all the members of the family, whether they are majors or minors.

"New Section 32-A inserted by clause 7 of the Bill, contains certain special provisions relating to mortgages by tenants in Malabar. The new section requires a mortgage bank to give notice in writing to the landlord both before and after granting the loan. It also requires the landlord to give not less than 15 days' notice to the mortgage bank before instituting a suit for bringing the tenant's holding to sale for default in payment of rent or for evicting him. The tenant is precluded from surrendering his holding and also from dealing with it in any other manner without the previous permission of the mortgage bank. The mortgage bank is given the right to recover the monies due to it from the tenant out of the compensation deposited in court under the Malabar Compensation for Tenants' Improvements Act, 1899. The bank is also given the right to renew the tenancy, if the tenant does not do so and also to pay the rent or michavaram due to the landlord, if the tenant commits default in making such payment. Any renewal fee, rent or michavaram paid by the bank will form part of the principal money due under the mortgage and the bank will, in such cases, be also entitled to recover the whole of its money by the sale of the holding.

"The other clauses of the Bill, namely, 2, 3, 5 and 8 are consequential.

"There are now six land mortgage banks in Malabar and South Kanara but they are not functioning satisfactorily, largely on account of the land tenure and the personal laws prevailing in the two districts. I hope that, as a result of the passing of this Bill, the state of affairs will be remedied and that the system of land mortgage banks will work more successfully in the West Coast.

"I now commend the Bill for the consideration of the House."

[4th April 1950

THE DEPUTY CHAIRMAN :—" Motion moved—

'That the Madras Co-operative Land Mortgage Banks (Amendment) Bill, 1950 (L.A. Bill No. 6 of 1950), as passed by the Legislative Assembly, be taken into consideration.' "

* DR. V. K. JOHN :—" Mr. Deputy Chairman, Sir, I must compliment the Hon. Minister Mr. Chandramouli for clearly explaining the scope of the provisions of the Bill. As far as the Bill goes and to the extent it goes, I do not think anyone can take any serious objection. But, Sir, here again I do not think the Government have taken a very comprehensive view of the subject. Land mortgage banks in the State play a very useful part or they are expected to play a much more useful part in future. The Hon. Minister himself said that certain banks did not function as efficiently as they were expected to function. I would suggest to the Government to have a comprehensive survey made of the function of the land mortgage banks and the scope of their activities, and
11-45 a.m. how far they help in the production of food by the agriculturist. The Government have Rs. 33 crores in the Reserve Fund. Let them make a comprehensive survey of the scope of the land mortgage banks in the State and divert a substantial portion of the Reserve Fund for helping the land mortgage banks, and through the land mortgage banks the agriculturists in the State. A comprehensive survey should be made as early as convenient and a comprehensive Bill introduced so that these banks may function efficiently and with ease. They must have sufficient funds to satisfy the demands of the people who want to take advantage of the opportunities they offer. I ask the Hon. Mr. Chandramouli who is very much interested in the working of the land mortgage banks to take up a comprehensive survey all over the State and introduce a comprehensive Bill which will be of great assistance to the agriculturists. Let not the Government keep all this money in the Government of India securities; let them divert a substantial portion of this reserve to the nation-building activities, one of which is to help the agriculturists through the land mortgage banks. I make this suggestion, Sir, in all humility."

* THE HON. SRI K. CHANDRAMOULI :—" Sir, it is true that there are some sections in the present Act which are not suitable to modern times and which may be a little bit obstructive also for the granting of long-term loans. That is why the Government have placed the whole matter before the Advisory Council and I am sure it will take up the matter very soon. It ought to have been taken up to-day, but due to unavoidable circumstances, the meeting has unfortunately been postponed to a later date. When the Advisory Council meets and takes the whole Act into consideration, all possible healthy and progressive suggestions will be incorporated and placed before the House. Meanwhile, Sir, this is an urgent matter. It has already been long delayed and that is why I have been forced to take up the matter immediately without waiting for the Advisory Council, as this has already been approved by the Advisory Council and the

several committees. In the proposed amendments, we are also considering the question of enhancing the financial provisions for the bank, the Reserve Fund and other things. I may assure Dr. John that we will take up all the suggestions and see that a comprehensive Bill is brought before the House. All healthy suggestions will be taken into account. In the meanwhile, I request the House to take up this Bill."

THE DEPUTY CHAIRMAN :—" The question is—

'That the Madras Co-operative Land Mortgage Banks (Amendment) Bill, 1950 (L.A. Bill No. 6 of 1950), as passed by the Legislative Assembly, be taken into consideration at once.' "

The motion was carried.

Clauses 2, 3, 4, 5, 6, 7 and 8 were put separately and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. SRI K. CHANDRAMOULI :—" I move, Sir—

'*That the Bill be passed into law.*' "

THE DEPUTY CHAIRMAN :—" The question is—

'That the Madras Co-operative Land Mortgage Banks (Amendment) Bill, 1950, be passed into law.' "

The motion was carried and the Bill was passed into law.

(4) THE MADRAS PROPRIETARY ESTATES' VILLAGE SERVICE AND HEREDITARY VILLAGE OFFICES (AMENDMENT) BILL, 1950 (L.A. BILL NO. 8 OF 1950).

* THE HON. SRI H. SITARAMA REDDI :—" Sir, I move—

'*That the Madras Proprietary Estates' Village Service and Hereditary Village Offices (Amendment) Bill*, 1950 (*L.A. Bill No.* 8 *of* 1950)[a], *as passed by the Legislative Assembly, be taken into consideration at once.*'

" The object of the Bill is to take power to the Government to disqualify a village officer who has been dismissed from office from getting into office again. Under the existing provisions of the Act, it is quite possible for a man who has been a village officer in any village and who has been dismissed to be reappointed again under section 10 because of his hereditary right to the office in another village. Cases came up before the Government where a person who acted as village officer committed misappropriation and was dismissed, but he was qualified for re-appointment as he was the next heir to the last holder of the office. It is necessary in the interests of administration to disqualify such persons. The object of the Bill that has been brought before the House is to take the necessary power."

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a Printed as Appendix III on page 704 infra.